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INFORMATION REPORT

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1. Yugoslavia was formerly very active in commerce, but now this activity is practically at a standstill. Private capital for commerce has been completely consumed through confiscations and disproportionately high taxes. Now commercial activities, which were formerly private, are in the hands of the State.
2. Today commercial activities are organized as follows: domestic trade - especially retail trade - is carried out through the so-called "People's warehouses", which are managed by various people's committees. In every federal republic there is a "central directorate for people's warehouses" which directs these warehouses. The structure of these directorates corresponds to the general directorates for individual industries.
3. Import and export activities are completely in the hands of the State.
4. Until the introduction of the Five-Year Plan, organizations for directing and supervising the Yugoslav economy were created without any special plan. Managers of these organizations were all Communists without economic training. The following are the most important organizations created at the introduction of the Five-Year Plan.
 - a. The Economic Council. This is subordinate to the Praesidium of the Central Government. This body coordinates all the economy, has comprehensive powers, and the final word in all economic activities. There is an analogous institution for every praesidium of each federal republic, which is a component part of the Central Economic Council. The Regional Economic Councils pass on to the corresponding governments the directives of an economic nature. The president of the Economic Council is usually the Minister of Industry. Members and higher functionaries of the Economic Council are without exception Communist Party members.
 - b. The Central Planning Commission. This has been modelled according to the Planning Commission in the Soviet Union. Besides this Central Commission there are corresponding planning commissions in each federal republic.

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-2-

- c. The Economic UDB. This body forms a part of the security police and is concerned with economic espionage. Its functions are as follows:
- 1) Control of the most important economic transactions in the country.
 - 2) Issuing directives for economic espionage in and outside of the country (offensive and defensive).
 - 3) Direction of the so-called "karakteristika". These are control sheets on the political views of every economic functionary in the country. There is a special dossier on every economic specialist in the corresponding UDB section, by means of which strict control is kept of the individual from a political standpoint. "No economic specialist can be employed in a commercial enterprise without the permission of the UDB. This control serves to eliminate all non-Communists from economic organizations. The economic UDB also decides the granting of permits for trips outside the country for persons employed in commerce. The UDB also uses intimidating methods in dealing with noted economists when their services are required.

The economic UDB is one of the most important supports of the Communist Party, since its power extends over the whole Yugoslav economy. It is directly subordinate to the council of the People's Commissioners of the Communist Party. It carries out the directives only of this council and of the People's Attorney (a kind of State attorney), and turns over all irregular cases to these bodies, especially those cases in which an individual has refused to take over an important function.

- d. State Commission for the Economic Development of the Country (DKZEEOZ). This commission was created immediately after Tito came into power. Its function is to increase economic activity, especially in industry. The commission receives directives from the Economic Council and from the Council of Commissioners of the Communist Party. The State Commission is an autonomous body. Its first chief was Todor Vujasinovic, the present Minister of Communications. The present chief is Engineer Krasnik. All leaders in this organization are well-known Communists whose positions are very influential.
- e. State Direction of the "Economic Control" (DUND). This group is completely independent and has comprehensive powers. It is subordinate only to the direct control of the President of the Central Government. The state direction has six branches, one in each republic. These branches are not responsible to the local authorities, but to the President of the Central Government. There is a secretary at the head of these branches who follows up the directives of the Economic Council and the Council of Commissioners of the Communist Party. Each branch is divided into the following sections:
- 1) Finance and banking section with a special division for loan companies.
 - 2) Section for the leather industry.
 - 3) Section for the textile industry.
 - 4) Commercial section with sub-divisions for separate branches of domestic trade.
 - 5) Section for trades.
 - 6) Section for enterprises which have long been state-owned.
 - 7) Section for enterprises which have been nationalized or confiscated.

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8) Section for statistics and classification.

These individual sections are responsible for the enterprises located in their respective sectors. They keep files, as well as statistics on production increases or decreases and on increases in capital.

f. Besides the above-named organizations concerned with directing Yugoslav economy, there are two others whose activities are more or less known abroad:

- 1) The Soviet Trade Delegation, a section of the Soviet Legation in Belgrade. Specialists from various Russian nationalized enterprises were active in this delegation. Since the break with the Cominform, the Soviet Trade Delegation has left Belgrade.
- 2) The Council of Commissioners of the Yugoslav Communist Party, made up of 120 members, has meetings once a month. To this council belong Tito, Mosa Pijade, Kardelj, Rankovic, Djilas, Dr. Bakaric, Kidric and Radosavljevic.

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